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1. Introduction

- 1.1 This policy sets out the approach to the billing, collection and recovery of monies due to Lewes District Council and Eastbourne Borough Council.
- 1.2 The Fair Debt Policy identifies where the responsibility for the collection of different debts lies and sets out the principles and standards we will adhere to in relation to contact, the recovery and enforcement process, repayments and welfare benefit and money and debt advice.
- 1.3 The policy sets out the framework for a consistent and sensitive approach to collecting debt whilst ensuring that each Council continues to maximise income collection and arrears recovery performance.
- 1.4 Sums due to the Council can be a mixture of statutory and non-statutory charges. The methods of billing and recovery for statutory charges are prescribed by the relevant legislation.

2. Policy Objectives

- 2.1 The Council has a duty to ensure it collects income and recovers debt efficiently and effectively to ensure it fulfils its financial responsibilities to its residents and businesses and maximises its capacity to provide its services.
- 2.2 As a billing authority the Council is also required to collect Council Tax and Business Rates on behalf of other organisations including East Sussex County Council, Sussex Police and Crime Commissioner, East Sussex Fire and Rescue and Town and Parish Councils within the District of Lewes. Central Government also retain a proportion of Business Rates income.
- 2.3 In collecting income and recovering debt we are committed to adhering to best practice. Best practice includes the recognition that some customers may be temporarily or permanently vulnerable and need protection and support.
- 2.4 Where possible, we will act to prevent debt arising or escalating by offering payment options and signposting customers with debt issues to debt advice agencies.

3. Scope of the Policy

3.1 The policy covers the following debts owed to the Council:

- Council Tax
- Rents
- Housing Benefit Overpayments
- Non-Domestic Rates (Business Rates)
- Sundry Debts

4. Factors common to all debt types

4.1 Every demand for payment will be correctly addressed to the person, business or other legal entity liable for payment.

4.2 The Council will encourage the most cost-effective payment methods with the emphasis being on electronic means where possible.

4.3 Where the potential for a statutory relief, discount or exemption may apply in relation to the debt, efforts will be made to make the debtor aware of this and they will be encouraged to apply for them.

5. Our commitment

5.1 When dealing with customers who owe us money we will treat all customers fairly, objectively and with respect. We will:

- Ensure that there is no discrimination against customers because of their race, nationality, colour, ethnic origin, religious belief, gender, marital status, sexual orientation, age or disability.
- Encourage customers to make early contact with us about any debt related matters.
- Assist with communication needs where appropriate, including translating and interpretation services.
- Promote the advice and support services available locally and nationally.
- Set out and explain our charges clearly.

6. What we expect from you

6.1 In response, we expect our Officers to be treated with courtesy and respect. Our staff and other customers should not be expected to deal with violent, rude or disruptive customers. We expect customers to:

- Pay amounts due promptly to ensure receipt by the Council on or before the date the payment is due.
- Contact us promptly or take appropriate debt advice if unable to pay the amount due or to pay on time.
- If the bill or invoice is incorrect contact the Council as soon as possible to explain why.
- Notify the Council as soon as possible about any change in circumstances which may affect the amount to be paid or your ability to pay.
- Notify us promptly if your address changes.

7. Early intervention and prevention

- 7.1 We are committed to early intervention as a key strategy to preventing residents debts from escalating. By pro-actively identifying financial vulnerability through data analytics we identify residents who could be financially vulnerable at the earliest opportunity through digital communications.
- 7.2 As part of our prevention strategy, we run welfare benefit campaigns to help residents maximise their income and access financial support they may be entitled to such as Pension Credit or Council Tax Reduction. This approach helps to reduce the risk of debts escalating.
- 7.3 We aim to engage proactively with customers to offer support, advice and flexible arrangements options.

8. Accessing advice and support

- 8.1 We will advise residents and businesses about the discounts, reliefs and reductions they may be entitled to. This information is also readily available on the Council's website.
- 8.2 We will signpost customers to where they can obtain advice on managing debt in a way appropriate to their needs. We ensure that written communications use Plain English as the standard wherever possible. We will explain complex terminology when we are required to use it by law.
- 8.3 We will assist customers with language and communication needs by offering translation, interpreting and other services when required.

9. Prioritising debts

- 9.1 Where we are made aware or identify that a customer owes multiple debts to the Council and unless the customer advises to the contrary, debts will be considered in a priority order to avoid the customer losing their home or going to prison for non-payment.
- 9.2 Where there is insufficient income available to clear all debts, payment will be appropriated in the following order except in exceptional circumstances:
- a. Rents
 - b. Council Tax Arrears
 - c. Business Rates
 - d. Sundry income
- 9.3 Where contact or no payments are made for Sundry debts, we may suspend any non-statutory services in relation to these debt types.
- 9.4 Priority debts are those which, if not paid, could cause you to lose your home, or essential services (such as gas, electricity or water) where the utility company has additional available powers to recover its debts or disconnect you. Most debts that you are likely to have with the Council would be classified as priority debts.
- 9.5 Non-priority debts may include:
- Bank overdraft
 - Money borrowed from family and friends
 - Store card
 - Interest free Hire Purchase Agreements
 - Credit cards
 - Mail Order / catalogues
 - Unsecured personal loans

10. Social Inclusion – ability to pay

- 10.1 There will generally be a presumption that any debts incurred should be payable in full to the Council. Where an issue is identified there shall be an early assessment made about whether a customer is unable to pay or is choosing not to pay and this shall be determined on a case by case basis.
- 10.2 Where a customer chooses not to pay, appropriate and timely action shall be taken to recover the debt using the recovery options available.

- 10.3 Where an appraisal or full income and expenditure assessment has been made and it is determined that a customer is not able to pay the debt, the Council will consider aspects of a customer's circumstances to establish the level of vulnerability and the most appropriate course of action. This should seek to recover the money owed whilst also seeking to avoid exacerbating the customers personal, social and financial circumstances where possible.
- 10.4 There is no legal definition of vulnerability, however we consider the following groups of people may be vulnerable and who may need extra support:
- The elderly
 - Those suffering long term or critical illness, acute enough to impair their debt management capacity
 - Those who have mental health problems who are unable to protect themselves from harm or abuse or who struggle to manage financial affairs effectively such as a severe mental illness or depression
 - The heavily pregnant
 - Those who have experienced a recent bereavement of a close family member
 - Those who may have difficulty communicating due to profound deafness, blindness or language difficulties
 - Those who are suffering from long term sickness or serious illness or are terminally ill
 - Fleeing domestic violence
- 10.5 Vulnerability doesn't mean that the Council will not collect the debt, but it will have particular regard to:
- How vulnerability affects a customer's ability to pay.
 - If additional help is needed e.g., support to apply for Welfare Benefits.
 - Signposting or referral to help and advice.
 - Offering flexible or lower payment plans whilst help and advice is sought.
 - The method of recovery action that may be used if it becomes necessary to do so.
 - Allowing extra time to seek advice and support by postponing recovery action if necessary.

11. Debt recovery processes and technology

- 11.1 Invoices and bills will be issued in accordance with the relevant statutory requirements which may be through instalment plans or

arrangements.

- 11.2 Where the debt remains unpaid, or if instalment plans or arrangements are broken we will follow the appropriate statutory recovery process depending on the type of debt.
- 11.3 Depending on the type of debt, we will consider the use of all enforcement remedies to recover debts. This includes:
- Attachment to earnings or Welfare Benefits (Council Tax)
 - Enforcement Agent action.
 - Debt collection agencies.
 - Possession proceedings.
 - County Court proceedings
 - Charging Orders
 - Insolvency proceedings including bankruptcy and winding up.
 - Direct earnings attachment (Overpaid Housing Benefit)
 - Committal to prison (only as a last resort if all other actions have been exhausted)
- 11.4 The Council will apply reasonable fees and charges to debts in accordance with our fees and charges policy and in line with relevant legislation for different debt types. For example, the Council is allowed to apply Council Tax Summons and Liability order costs as prescribed in Legislation. The fees and charges cover the reasonable costs for collecting those debts and ensures that the cost of recovery is not unfairly borne by other residents.
- 11.5 The Council is committed to delivering an efficient, modern and customer focused approach to debt collection through the use of data and technology.
- 11.6 We automate routine tasks such as issuing reminders, processing payments and managing the early stages of pro-active digital communications where we can. This allows our staff to focus their time and expertise on more complex cases and on customers who require a greater degree of support or tailored assistance.
- 11.7 Our approach is underpinned by the intelligent use of data analytics. By analysing arrears trends, payment history and customer behaviour we can better understand propensity to pay and identify those who may need early support or a different engagement strategy.

12. Review and Continuous Improvement

- 12.1 The Council will follow best practice when recovering debt and have regard to good practice guidance issued by central government and other recognised organisations, e.g., Chartered Institute of Public Finance and Accountancy, Institute of Revenues, Rating and Valuation, Ministry of Justice, Local Government Ombudsman. It is recognised that there may be circumstances where full adherence to such practices is not practical.
- 12.2 This policy will be reviewed on an annual basis. The Council reserves the right to review and revise the policy at any time in response to new Government initiatives.

13. Complaints

- 13.1 We recognise that mistakes in the billing, collection and recovery of debts can cause distress to customers and our aim is to get it right first time. If a genuine mistake is made and brought to our attention, we will put it right and apologise. We will look at our processes to see if we can prevent the same mistake happening again.
- 13.2 Complaints raised by customers about matters covered in this Policy will be dealt with in accordance with the Councils Corporate Complaints Policy.

14. Provision for Write Off

- 14.1 Every effort will be made to collect debts, however in some circumstances it may be necessary to write off a debt if it becomes irrecoverable, e.g., the debtor is made bankrupt or debts that are uneconomical to pursue.